RESEARCH REPORT

Catalog number	02-003
Date:	**September 25, 2001**
Subject:	**Government Performance Project**
To:	Board of Supervisors
From:	Sandi Wilson, Deputy County Administrator
Prepared By:	Sandi Wilson, Deputy County Administrator

BACKGROUND

Maricopa County was selected by Syracuse University and Governing Magazine to participate in the Government Performance Project in 2001 during the evaluation of the top 40 Counties in the United States. Below is the project description:

> Since, 1996, under the auspices of The Pew Charitable Trusts, the Maxwell School of Citizenship and Public Affairs of Syracuse University has rated the management capacity of local and state governments and selected federal agencies in the United States. The project, called the Government Performance Project (GPP), is administered by The Maxwell School's Alan K. Campbell Public Affairs Institute. The GPP, is a comprehensive survey of the effectiveness of core government management activities. It is the most in-depth survey ever completed.

Maricopa County will be graded, and the results will be published in the February edition of Governing Magazine. Outlined below are excerpts from each section of the GPP questions and Maricopa County's responses to the survey questions. To review the completed surveys, log onto www.maricopa.gov/cio/mfr/gpp.asp .

COUNTY OVERVIEW

The County overview section asked a number of questions pertaining to the governance of our County. Including whether we had home-rule, what functions are performed, what positions were held by elected officials. It is the shortest of the GPP surveys. The last item was the only question, which allowed a narrative answer. The question and our response are outlined below.

> *Is there anything else we should know about the government structure in your county?*
>
> Maricopa County is truly an exciting place to live and, as an organization, a challenging and dynamic place to work. In many respects, Maricopa County's

circumstances are representative of those seen by county governments throughout the United States. Like most counties, state government mandates over ninety percent of our functions, and we face constantly increasing demands in the areas of law enforcement and health care. There are, however, some unusual twists to Maricopa County's story.

The biggest and most obvious challenge is that of explosive growth. Maricopa County ranks as either the first of second fastest growing county in the United States in terms of population increases. (Various surveys always seem to place either Maricopa County or Clark County, NV, in the first spot.) In 1900, Maricopa County had fewer than 25,000 residents. By the year 2000, however, we topped 3 million residents. What's more, most of this growth has occurred within the last thirty years and the end of this growth cycle is no where in sight. By the year 2040, we are expected to exceed 7 million residents. In a state of just over 5 million total residents; Maricopa County has 65% of the state's population and at the epicenter of Arizona's dynamic development.

While a blessing in many respects, keeping up with this growth has proved to be a substantial challenge to the creativity of Maricopa County government. Maricopa County's voters tend to be fiscally conservative. While certainly no unwelcome, this fact has forced Maricopa County's management to find innovative ways to meet the public's increasing demand for services without raising property taxes and expanding the "size of county government". In fact, Maricopa County's combined primary and secondary tax rate is lower today than a decade ago, and our county government employment base remains at roughly the same level of that in 1991. We are very proud of these accomplishments.

Examples of innovations that have contributed to these accomplishments include: our "STAR Call Center" which handles a massive volume of telephone calls for constituents seeking a variety of public services; a creative public/private partnership that has permitted our Animal Care & Control Services Department to place 18,000 cats and dogs annually in loving homes and significantly reduce the number of euthanized animals; a performance-based, outsourced, management approach to the operation of our health system; and innovative recruitment and total compensation programs within our Human Resources Department. Without these innovations, Maricopa County would not have been able to maintain its low population-to-expense ratio over the past decade, while at the same time improving results in our customer satisfaction surveys.

Yet another "twist" is the unusual organizational structure of counties in Arizona. First, Arizona counties have a large number of "row" officers who are elected on a county-wide basis: Assessor, Recorder, Superintendent of Schools, County Attorney, Treasurer, Clerk of Superior Court, and Sheriff. Each row officer maintains a level of policy-making authority commensurate to his or her status as independently elected statutory officials. They do, however, look to the Board of

Supervisors for budgetary and general administrative policy. They participate in county-managed employee merit systems, payroll and records services, recruitment programs, employee leave, compensation and benefit plans, procurement systems, and equipment/facilities management. They coordinate at a high level with County administration on information technology strategies.

Secondly, the Maricopa County Board of Supervisors also serves as the statutory funding authority for several governmental entities over which they maintain limited management authority. For example, the Superior Court "in and for Maricopa County" is actually part of the Judicial Branch of the State of Arizona. The employees of the Superior Court (including its Juvenile and Adult Probation Divisions) are technically state employees, and serve under an independent merit system. However, because of the historical problem of funding the operations of the state's superior court system across great distances, the Territorial Legislature (and later the State's Legislature) mandated that county governments fund the operations of the superior court. Despite the fact that the technology is now available to overcome these difficulties, this statutory scheme remains in place today. Other than budgetary controls, Maricopa County government has little authority to control the policy direction of the Superior Court. Inspite of this, Maricopa County's management team and that of the Superior Court have forged a sound working relationship over the past decade that has permitted a very high level of policy and strategic coordination. This has yielded positive results in case processing improvements, moving to high-technology courtrooms and into integrated information systems.

Finally, the Board of Supervisors also serves as the statutory "board of directors" for three separate special taxing districts: a Flood Control District, A Library District, and a Stadium District. While legally distinct political subdivisions of the state, their Board of Directors has required that the director of each district report for administrative purposes through the County Manager. This system ensures a high level of policy and strategic coordination between the Districts and the County's Administration, and takes advantage of the inherent economies of scale.

Given this unusual organizational structure, Maricopa County, over the past decade, has developed a unique approach to managing county government. In order to avoid treating the "appointed departments" in a dramatically different manner for those of the Superior Court, Elected Officials, and Districts, Maricopa County has developed policies which generally delegate a significant amount of management discretion to each department's management team. A prime example of this is the use of a modified "lump sum appropriation: budgeting approach which gives departments a great amount of latitude to control the use of their budgets throughout the fiscal year within the discrete categories of personnel, operations and capital expenses. Similarly, Maricopa County's innovative application of a hybrid "broadband" compensation system affords departments greater control over their compensation budget and greater employee accountability through performance-based compensation strategies – all while still ensuring that raises given in one fiscal year do not create a future fiscal impact that the County cannot afford.

In order to ensure that this greater level of discretion is not abused, Maricopa County has implemented a budget-driven "Managing for Results" initiative. As a result of these changes, Maricopa County's operations today look more like those of a parent corporation with forty-five subsidiaries than that of a traditional command-and-control governmental authority. This structure is, without question, one that represents a significant challenge to operate. It is also, however, the structure that permits us to be flexible, creative, and capable of quickly addressing the changing and increasing demands of explosive population growth without dramatically increasing property taxes.

MANAGING FOR RESULTS

The Managing for Results section of the survey concentrates on the use of strategic plans and performance measurement to achieve results and to report these results to the elected body, and the public. There is significant concentration on the use of performance information to manage operations and to achieve efficiencies and improvements. Maricopa County has come along way in the past several years in achieving consistency and uniform processes for strategic planning and performance measurement. We have been told by our Managing for Results consultants that our County is more advanced than almost any local jurisdiction in the nation. We hope that the GPP reviewers will come to the same conclusion.

The question below is one representation of the types of questions and responses given by Maricopa County.

Does you county have a formal managing for results system?

Yes

For at least 10 years, Maricopa County has had a formal strategic planning process at a Countywide level and within individual departments. Countywide strategic planning has been occurring every two years since 1991. In addition to the strategic planning process, a business plan has been completed on an annual basis since 1994. Included in the business plan are strategic and tactical approaches to achieving countywide goals, along with our long-range financial forecasts.

Individual departments have been responsible for completing departmental strategic plans for over 10 years. Departments have the responsibility for ensuring that their plans are accurate and updated as needed. Elements of departmental strategic plans were included in the annual budget document. In addition, performance indicators have been included annually in the budget process for over 20 years. Although strategic planning was occurring at the departmental level, full standardization and alignment was not achieved until recently.

Over the past several years, a Countywide initiative has been undertaken to standardize and integrate the planning, measurement, budgeting, reporting, and evaluation components of the Managing for Results system. The Managing for Results initiative has resulted in a more focused approach and all departments, elected officials, and the judicial branch have enthusiastically participated in this process. The write-up below indicates the level of commitment the County has made to this integrated initiative. It is graphically displayed in Attachment MFR-1-1.

Maricopa County Board of Supervisors adopted the "Managing for Results," "Budgeting for Results," and "Budgeting for Results -- Accountability" policies (see Attchments MFR-Document/Information Requested (C)-1, 2 and 3).

All elected officials and department directors received an overview and training on the key elements of Maricopa County's Managing for Results management system (Attachment MFR-1-2).

Each department identified a strategic planning coordinator to serve as the facilitator and focal point for departmental strategic planning. Strategic coordinators participated in rigorous training sessions to enable the facilitation of the strategic planning process. See Attachment MFR-1-3 for the training materials and Resource Guide. The Resource Guide is also available at www.maricopa.gov/budget/mfr/pfr/default.asp.

Central service departments -- Office of Management and Budget, Finance, Human Resources, Internal Audit, Information Technology, and Materials Management -- participated in specialized Managing for Results training. The training assisted these departments in identifying and modifying Maricopa County business practices to align with Managing for Results principles.

Each department prepared a strategic plan utilizing the same processes and format. The compilation of each department's plan was conducted via a web-based application.

A four-phase corporate level review process was conducted:

1. Technical Review -- Using a uniform checklist, Office of Management and Budget (OMB) analysts conducted a review of each submission to ensure its completeness and that the most basic plan components were included. (See Attachment MFR-1-4 for the Technical Review Checklist.)

2. Structural Review -- Using standard criteria as set forth in the Managing for Results Resource Guide, OMB analysts performed in-depth reviews of each plan

element; i.e., Issue Statements, Strategic Goals, Mission Statements, Programs, Activities, Services, Performance Measures. (See Attachment MFR-1-5 for the Structural Review Guidelines.)

3. Content Review -- Using a short list of criteria, OMB analysts reviewed each plan at a holistic level to determine if the Activities and Programs delineated would facilitate the department in reaching its strategic goals. The review yielded written questions and comments that provided the basis for discussion during the fourth phase. (See Attachment MFR-1-6 for the Content Review Criteria.)

4. Corporate Review Committee Meeting Phase -- A Strategic Plan Corporate Review Committee, comprised of the Deputy County Administrator, Budget Manager, Human Resources Director, Chief Financial Officer, a representative from the Internal Audit Department, and County business representatives from Court Agencies, Criminal Justice, Health, Community Services, Public Works, Administration, and specialized Elected Offices, met with each department to discuss each departmental plan. These departmental discussions also provided a forum for identifying issues requiring elevation to the Board of Supervisors in formulating the overall Maricopa County strategic direction. (See Attachment MFR-1-7 for the agenda utilized for each meeting.)

The Maricopa County Board of Supervisors set corporate strategic priorities. The Board's planning process began with a review of issues derived from the Corporate Review process which provided a broad scope of issues facing all lines of business in Maricopa County. A new mission statement was adopted and strategic priorities for the next two to five years were developed. (See Attachment MFR-1-8 for the Board's strategic planning materials.)

Managing for Results was front and center in the FY 01/02 budgeting process. The budget system provides financial and performance information to help decision makers make good business decisions that achieve results. Funding requests were evaluated based on the Board of Supervisor's strategic direction and focused on ensuring that requests aligned with the department's own strategic plan. (See Attachment MFR-1-9 for the "Budgeting for Results" section of the "Managing for Results" manual utilized by County departments in preparing and submitting their FY 2001-2002 budgets. This resource is also available at www.maricopa.gov/budget/mfr/BFR/default.asp.)

The financial cost accounting system, that parallels the Programs, Activities, and Services (PAS) delineated within each departmental strategic plan, is currently being finalized and will be operational July 1, 2001. Departmental training on the PAS cost accounting system is scheduled for the week of June 25, 2001.

All departments provide quarterly reports via the web-based application to apprise County leaders and the public of their progress in meeting their strategic goals and to provide performance measurement data.

The employee performance management system is designed to ensure direct alignment of each employee's job responsibilities and performance expectations to departmental strategic plans, strategic goals, and performance measures.

FINANCIAL MANAGEMENT

The financial management survey instrument was directed at the fiscal health and financial practices of Maricopa County. There were a number of topics covered including: budgeting, accounting, financial reporting, auditing, investment, debt management, and procurement and contract administration. This survey was one of the longest surveys of the GPP family. The prudent budgeting and conservative financial approaches that the Board of Supervisors has adopted, has left us in a good position for when GPP reviewer evaluate our financial management practices.

The question that is outlined below goes to the heart of our financial health, and is representative of the story that can be told regarding Maricopa County's fiscal stability and our prepareness for downswings in the economy.

Is a rainy day fund a legal requirement in your county?
NO

Whose authorization is required to use your county;s rainy day funds?

Funds set aside for fiscal stabilization may only be used as appropriated by the Board of Supervisors. Such approval would be given through the annual budget process, or the normal process for amendment after budget adoption.

Maricopa County's approach to maintaining "rainy day funds" is outlined in the Maricopa County Reserve and Tax Reduction Policy (Attachment FM-Document/ Requested (F)-6). The purpose of this policy is to provide for long-term financial stability and low, sustainable tax rates through responsible use of non-recurring resources, appropriate and minimal use of debt, and maintenance of reserve funds. The Policy provides that unreserved beginning fund balances may be used to acquire assets, retire debt, or provide for fiscal stabilization during economic downturns.

Maricopa County presently maintains a Capital Improvement Program Debt Service Fund that provides a reserve for fiscal stabilization. Over the past three fiscal years, the County has been accumulating General Fund budget savings and proceeds from higher-than-normal revenue growth, along with expenditure savings, to fund a $238 million "pay-as-you-go" capital improvement program, allowing the County to avoid increasing the tax burden through general obligation bond issues. CIP expenditures are being funded up front by issuance of Certificates of Participation (COP's), while the reserve will be drawn down gradually for the annual COP debt service. This method of financing allows the accumulated funding to be maintained as a "rainy day" fund in case of a sudden economic downturn or unavoidable expenditure increase. The FY 2001-02 budget anticipates a balance of $176.2 million (excluding amounts formally pledged for repayment of the debt), amounting to 21.7% of total General Fund budgeted expenditures.

Please describe any reserves or mechnanisms that your county has to assist you in the event of a economic decline or other contingency. In particular, please tell us the fund name, purpose, source, balance, and ruls that govern its us.

Maricopa County maintains several other reserves that can assist us in the event of a sudden economic downturn or other emergency. These reserves include the following:

General Fund Balance Designated for Cash Flow - The General Fund experiences fluctuations in its cash balance during the fiscal year, primarily due to the property tax collection cycle. Property taxes are due on November 1st and May 1st, resulting in significant cash inflows in October and April, while expenditures are relatively constant month by month. Consequently, General Fund cash position can reach a very low level at the two points during the year prior to these property tax infusions.

Maricopa County therefore maintains cash reserves (referred to as the “minimum fund balance designated for cash flow”) at a specific level to carry through to the next property tax cash infusion without the use of short-term borrowing. The Reserve and Tax Reduction Policy requires that: "Reserves will be designated for elimination of cash flow borrowing in the General Fund and in other funds as necessary" (FM-Document/Information Requested (F)-6). During the budget process, the amount required in the upcoming fiscal year for the cash flow reserve is formally estimated by the Finance Department and provided to the Office of Management and Budget for use in developing the budget (see Attachment FM-Document/Information Requested (A)-3, pages 284-285). This reserve has allowed the County to meet its General Fund operational expenditures without short-term borrowing since FY 1995-96.

In times of fiscal need, the cash flow reserve would be available to stabilize revenue shortfalls or manage other unforeseen expenditures. If the reserve were to be used for such purposes, short-term borrowing might be necessary until cash reserves could be replenished during succeeding budget cycles. The General Fund minimum balance for cash flow is $67.7 million for FY 2000-01 (8.1% of General Fund expenditures), and will be increased to $76.0 million (9.3%) for FY 2001-02. The County hedges its position further by maintaining a $35 million line of credit, which can be used at any time to float cash shortages during low points in the revenue collection cycle if it becomes necessary to use our established minimum fund balance for economic stabilization.

Appropriated Contingencies - A number of funded appropriated contingencies are set aside within the overall County budget. In the General Fund, the General Contingency appropriation is set at $14.4 million for FY2001-02, increased from $12.0 million in FY 2000-01. In addition, a $2 million contingency is budgeted within the Detention Fund to cover the portion of that fund's activities that are supported by a "maintenance of effort" transfer from the General Fund. Combined, the General and Detention Fund Contingencies equal 2% of total budgeted General Fund expenditures (including Appropriated Fund Balance). General Contingency can be used with Board approval to cover unanticipated expenditure needs or revenue shortfalls. General Contingency is planned for in the annual budget process, and has been maintained at between 1.5% and 2.0% of General Fund expenditures over the last five years (see General Government Policy and Procedures B1005, Attachment FM-Document/Information Requested (F)-4).

Besides General Contingency, the FY 2001-02 Budget includes an additional $14.7 million in contingency funding that is reserved for specific issues. These include: $7 million reserved for salary adjustments based on completed compensation studies; $2.7 million for Court-related projects; and $5 million for various other supplemental funding requests, or "Results Initiatives". The Office of Management and Budget will analyze each of these issues, and may recommend appropriations transfers to the Board of Supervisors if warranted. It is not unusual to have a large portion of the reserved contingency funds that is not distributed by fiscal year-end.

The FY 2001-02 budget also includes funded contingency appropriations for capital improvement projects. CIP contingencies include $10.0 million for Detention Fund capital projects, $6.3 million for the General Fund CIP, $4.9 million for Transportation and $3.1 million for Flood Control. These contingencies are itemized in the Capital Improvement Program as "project reserves" (see Capital Improvement Projects by Department, Attachment FM-Document/Information Requeted (A)-3, pages 111-116).

Self Insurance Trust Fund - The purpose of the Risk Management Self-Insurance Trust Fund is to provide payment for and fund auto liability, general liability, workers' compensation, medical malpractice, auto physical damage, property and unemployment claims on an annualized basis and to reserve against future liabilities.

The trust is funded through an allocation plan that assesses each County department for the cost of risk through internal service fund charges (see Attachment FM-9.f.-1). The total amount charged is determined by an annual, independent actuarial study that projects the cost of paying the County's future claims (see Reserves and Projections as of June 30, 2000, Attachment FM 9.f.-2. The projected payments are used to set the Risk Management budget. Payments into the fund are established at a level sufficient to begin each fiscal year with a balance that can fund estimated actual claims expenses and insurance premiums for the following two fiscal years. At the close of FY 1999-00, the cash balance of the trust was $19,878,864 (see Self Insurance Audited Financial Statements, Attachment FM-9.f.-3).

Use of the Self-Insurance Trust Fund is governed by a Declaration of Trust (see Attachment FM-9.f.-4). The Trust administrator, pursuant to authorized payment levels, administers payments from the Trust. The Board of Supervisors has ultimate authority for all payments from the Trust. An independent audit of the Trust is conducted annually. The County also maintains supplemental insurance coverage for losses that exceed $1 million.

HUMAN RESOURCE MANAGEMENT

The Human Resource Management survey was quite comprehensive and addressed numerous human resources issues. Emphasis was placed on classification, compensation, performance management and rewards and recognition. However, the survey also covered civil service, workforce planning, HR information systems, recruitment, labor relations and training. Our innovations in compensation and rewards and recognition, in addition to our “right-to-work” status should give us a favorable advantage when grades are established. Below is an excerpt from the survey responses which addresses our compensation innovations.

Please describe any changes or innovations in your county’s compensation system since 1999

Maricopa County believes compensation is more than just the salary of employees. Total employee compensation includes: base salary, incentives, insurance benefits, skill-based pay, and paid time off. All are addressed in this section.

In fiscal year 1998-99, the Maricopa County Board of Supervisors recognized compensation as an important budget priority. Compensation has remained a budget priority for four years. Since the inception of the new broad-banding compensation plan, turnover has been reduced from 19.2% to 9.4%. At the beginning of this fiscal year, the average salary for Maricopa County employees was approximately 92% of the average midpoint.

For the past five years, the County has had an incentive program in place. The "Share the Savings 2001" program allows departments to recognize employees who have consistently met or exceeded their performance goals, and to encourage continued high performance levels throughout the upcoming year. Department eligibility requirements include meeting the overall budget target, completion of a strategic plan, and use of the "Managing for Results" template.

Tying compensation to our Countywide "Managing for Results" policy illustrates to the employees the importance of participation in this initiative.

The Share the Savings awards have produced terrific programs that are individualized department by department. One example is in Internal Audit. The Internal Audit Department uses an Academy Awards event to present their Share the Savings and employee recognition. In addition to a financial award that is given across the department for productivity, individual employees are recognized with the following awards: Sparkplug Award for boosting morale; a Hang in There Award for perseverance; a Nerd Award for the highest score on a project evaluation; a Behind the Scenes Award for actors in a supporting role; a You Do Us Proud Award for department recognition; the At Least We're Looking Award for the highest potential recovery and: the Show Me the Money Award for the highest actual recovery.

The County is currently in the process of drafting revisions to the Maricopa County Employee Compensation Plan to allow implementation of new and innovative methods to compensate employees. The largest change is the addition of Temporary Salary Advancements. The temporary salary advancements will increase an employee's base pay rate for a defined period of time. It will be used by departments on a case-by-case basis to reward employee performance. This new flexibility will give more compensation options to departments as described in the Employee Compensation Plan Revisions.

The County's benefit plan has had significant improvements since 1999. One of the big changes is the introduction of three levels of health plans: high, mid and base plan options from the one plan previously offered. The County increased the employer share of contributions for family coverage from 65% to 71%. Maricopa County is now covering one times the annual salary for life insurance coverage up to $300,000. Previously the coverage cut-off was $40,000. Other minor plan changes include: enhancement to the vision plan, increased Accidental Death and Dismemberment, short-term disability benefit increases. To improve customer service, an internet-based open enrollment process was introduced in 1999.

In July of 1999, Maricopa County implemented a multi-lingual pay differential for employees who are required to use a second language in the performance of their duties as described in HR2416, Pay Differential. A multi-lingual pay differential may be requested by an appointing authority at one of two levels of competency, associate or journey. To qualify for the differential, an employee must utilize a second language at least 5% of the work time for the associate level. Employees achieving the journey competency must utilize a second language at least 25% of the work time, and receive certification for proficiency in the second language.

Another component of the overall compensation package for employees is their paid time off. Our new employee leave plan has been rated as one of the best in Arizona according to the 1998 Watson Wyatt Comparison Study. The employee leave plan was reformed in response to negative employee satisfaction scores. Specifically, employees indicated that the previous plan was inflexible, and did not permit them to appropriately balance their work and family lives. Management team members complained about the plan, indicating that it seemed to encourage the abuse of sick time. Maricopa County was also beginning to see an increasing trend in the number and complexity of employee claims under the Family & Medical Leave Act (FMLA) since the leave plan did not adequately track employee FMLA utilization.

At the request of the Human Resources Department, an employee group was convened in late 1996, and assigned the task of recommending changes to the county's leave plan. The resulting recommendation was truly an innovative one. Under the previous plan, a new County employee would accrue approximately 10 days of "vacation" and 10 days "sick" leave over the course of a year. (These amounts both increased with seniority.) If an employee accrued, but was unable to use, more than 240 hours of vacation leave, it was forfeited at the end of the calendar year. The new plan replaced these two categories with new categories for "personal" and "family/medical" leave. As the name suggests, family/medical leave could only be used for circumstances that fall within the FMLA's guidelines, and given this, accrued approximately 50% more slowly. In turn, personal leave was changed to accrue approximately 50% more quickly. This change was in recognition of the fact that personal leave would now also be used for minor illnesses not covered under the FMLA. The proposal also recommended that personal leave accrued over 240 hours not be forfeited, but rather be "rolled over" into the family/medical leave bank. The plan was designed to give employees more control over the use of their paid time off. Finally, the accrual levels are based not on seniority, but rather based on time within the applicable retirement system. This permits departments to attract employees from other public employers because they would be given credit toward their leave accrual rate for their experience with the prior public sector employer. Thus, an employee coming from a local city with 10 years of experience could immediately begin accruing leave at the rate of a 10-year County employee.

The new plan, adopted by the Board of Supervisors in 1997, has been well received by employees and has rewarded employees that do not abuse sick leave by allowing them to have use of a portion of that time through personal leave. Perhaps most remarkably, and in spite of a dramatically increasing national trend toward FMLA litigation, Maricopa County has not litigated any claims under the FMLA since the adoption of the new employee leave plan.

INFORMATION TECHNOLOGY MANAGEMENT

Two large boxes representing the Maricopa County Information Technology Section of the GPP Survey Response were shipped to the national reviewers. The content tells the story of the excellent and progressive work that we do here at the County that we are all proud of. The IT Section Summary will highlight the responses to questions regarding the following: (1) County's information sharing activities with the Public, (2) The structure of our IT program, (3) IT Strategic planning activities, and (4) Innovative IT initiatives introduced during the last 2-3 years.

In addition to the paper-based submittal, as was previously stated, a website has been created that hosts the County's entire GPP Survey Response. Under the Information Technology Section is a subsection labeled "What's new in IT" that highlights additional IT accomplishments achieved since the June, 2001 submittal.

What unique or innovative approaches to information management has your county developed in the past two years? (for example, can you give examples of how information technology has supported key decisions or improved service delivery?)

Agenda Central is an internally developed, web-based, electronic workflow application created to streamline the Board of Supervisor Agenda preparation and approval process. All County business involving contracts, expenditures, or policies must go before the Board of Supervisors for approval. However, before the item reaches the Board, it must go through a formal review and approval process that spans up to seven County departments.

Previously, the process was very labor intensive and cumbersome. The relevant County department authored a form summarizing the proposed action, its year-by-year financial implications, and the full text of contracts or change orders. The authoring department director reviewed and approved the item. Then the item was hand-carried through the chain of command to other reviewing departments such as Legal Counsel, the Office of Management and Budget, the CIO, and others. The agenda packages routed through the paper-based process would range up to 100 pages in length, and could take up to two months from beginning to end. Occasionally attachments became separated from the main package, further complicating and delaying the process. The Clerk of the Board, charged with administering the entire program, spent countless hours tracking and locating agenda items in midstream. County Administrators were keenly aware of the need for an automated process to manage this "paper tiger."

The entire process now takes about two weeks. The review and approval process requirements are the same, but the work is performed on-line via electronic workflow. Agenda Central is a phenomenal success from two aspects: (1) it has transformed one of the County's fundamental, paper-based management processes, and (2) it has demonstrated, beyond any doubt, the role that web-based technology can play in transforming government. Agenda Central created the momentum, energy, and fueled the vision of using technology to reinvent Maricopa County. Attachment IT.27.-1 contains screen prints from the system to reflect the activities available to the different Agenda Central players.

Agenda Central received the annual Public Technology Institute Award for “Automated Workflow Application” in 1998 and also received recognition from Microsoft Corporation as an “Innovative System Solution” in the same year.

The *On-line Technology Planning Continuum* is an Intranet-based IT management tool developed internally to capture key information regarding County IT operations and strategies. Every IT department leader is responsible for entering information for their area. The data being captured correlates to the following:

- Current agency IT environments (What resources are actually in place?)
- Annual agency IT strategies (How well does the plan fit the current environment?)
- Project proposals and justifications (Is sufficient planning taking place?)
- Software Development Life Cycle data (Are the necessary steps being completed?)
- Promote standard IT measures (How well are we managing our IT operations?)

This on-line management tool has been developed to provide a fast and convenient method for organizing and analyzing information about County technology management issues. It provides the following benefits:

- Alignment with the County MFR Program
- Support for the annual IT budget review process
- Support of the CIO’s role as principal technology integrator
- An efficient means for sharing information with County executives
- Direct comparison of IT operations within the County and with external operations

The full scope of the *On-line Technology Planning Continuum* is discussed in the “Preface to Questions 14-16” which is found within the “Comments 14” index tab. The following attachments provide examples of summary reports which were used in strategy and investment planning for the current fiscal year:

Attachment IT.27.-2 County-wide IT Profile Summary
Attachment IT.27.-3 Agency-level IT Profile Summary
Attachment IT.27.-4 County-wide Strategy Summary
Attachment IT.27.-5 Agency Strategy Summary

The MFR Data Warehouse evolved from the idea of providing an on-line electronic form for submitting MFR worksheets into a complete executive decision support tool. The County’s MFR consulting team, Weidner Consulting, was engaged to host a data warehouse brainstorming session to define the requirements and an accelerated Rapid Application Development (RAD) approach was used. In a convenient, on-line repository, the warehouse now contains mission, vision, strategic goals, programs, activities, services and performance measures for all County departments. The County's vision for the MFR Data Warehouse and future integration plans are outlined in Attachment IT.3.-1.

On-Line Open Enrollment is the County's internally developed, web-based application that supports the annual employee benefits registration process. *Open Enrollment* built upon the success of Agenda Central. Prior to *Open Enrollment,* the County had been using the traditional paper-based enrollment process combined with a telephone response system (IVR). In 1999, the first year that *Open Enrollment* was offered, approximately 3,000 employees chose to use the electronic process rather than submitting paper forms. Many enhancements were offered for the second year's enrollment period, including an on-line Help wizard named Merlin, and access either from home via the Internet or at work via the EBC.

During the last enrollment period in October 2000, more than 8,000 of the County's 14,000 employees chose to register their benefits options on-line. As part of an on-line survey, the users gave the product an overall rating of "excellent". The high rate of employee acceptance and satisfaction has produced savings by reducing the benefits package production costs. It has even produced cost savings for the benefits vendors. Future plans are to fully integrate Open Enrollment with the new *PDS* Benefits Management system.

The Office of the CIO has partnered with Human Resources to address the County's IT staffing issues. Staff retention has been given the highest priority. The joint initiative has resulted in the following:

- An official *Maricopa County Information Technology Position Reference Guide* has been developed, by the OCIO, containing generic industry standard position descriptions, with duties, responsibilities, educational requirements and career paths identified. The Reference Guide is posted on the Internet and EBC under *Technology World*. Attachment IT.27.-6 highlights the Table of Contents.
- An annual IT Market Salary Survey is conducted by the HR Compensation Division. Several HR-acceptable industry surveys are used, including the *Mercer IT Survey* and Gartner Group's *People3 Salary Survey*. Any changes >5% to salary ranges resulting from the annual survey are made to the County's IT Market Salary Ranges. The IT Market Salary Ranges are posted on the County Intranet.
- An Employee Mapping Worksheet was designed to facilitate mapping IT staff to the new positions. The worksheet is unique because it requests criteria that reflects the importance of the technologist's skills to the business

operations in addition to the standard educational background, years of experience, and market salary range information. Attachment IT.27.-7 contains an example of the IT Employee Mapping Worksheet and related support documentation.

- All County IT staff have been mapped to the new IT positions and corresponding salary ranges. Staff and departments are given some flexibility regarding the use of working titles (for business cards, etc) but County's position titles and market ranges are required for all merit increase requests.
- This year a County IT Salary database was developed to maintain all IT-related salary information. The database simplifies the activities required in completing vendor IT salary surveys. The database has been useful in evaluating compensation activities across IT departments and for specific skill sets.
- The CIO provides consulting services to departments as they prepare their annual merit increase requests and to HR compensation analysts in reviewing departmental requests. The County's Compensation Review Board has also solicited recommendations from the CIO.

The Office of Government Relations (OGR) works in conjunction with all County departments to assess the potential impacts of proposed State legislation. We have established an effective, formalized process through which we analyze all County-related legislation. OGR reviews every piece of legislation introduced in every session in the State Legislature and refers them to affected County departments for impact analysis.

The *Legislative Tracking System* was developed in 1998 to streamline the legislative review process and electronically distribute legislative review forms and responses via the County's Intranet. Prior to the system's development, all bills were manually copied and sent through fax or interoffice mail, along with a review cover sheet which the department would complete and return to Government Relations.

Through the *Legislative Tracking System*, each relevant bill is forwarded to all appropriate departments for review and response. The system allows for detailed, timely responses using direct links to the State Legislature's "Arizona Legislative Information System" (ALIS) for real-time access to the bill's current language. All review activities are now completed electronically, eliminating the need for volumes of paper copies and forms. See Attachment IT.27.-8 for the *Legislative Tracking System User's Guide*.

The CIO launched a program to increase and improve the usage of technology, as discussed in Question IT.22. The original program was expanded to incorporate communication activities and is now under the general direction of the *Electronic Government Council* as the *Technology Literacy and Communication Subcommittee*. Attachment IT.27.-9 presents the activities of the TLC Program. The comprehensive TLC program consists of the following three components:

1. Internal and external communication activities including:
   - Semi-Annual IT Conference Retreats
   - Quarterly County-wide IT Leadership Forums
   - Quarterly MFR Performance Reviews
   - A formal Technology Liaison Program offered by the OCIO
2. On-line Intranet resources with:
   - General IT reference data (Vision, Governance, Policies, Architecture, Contracts, etc.)
   - IT management information (strategic plans, performance measures, MFR data)
   - IT groups (IT Leadership, IT Organizations, Electronic Communities, etc.)
   - Technology literacy resources (on-line training courses, Tips & Tricks session hand-outs, etc.)
3. Classroom activities specifically targeting:
   - Business Leaders (to enhance decision making & communication skills)
   - Knowledge Workers (to improve analysis and reporting skills)
   - Office Workers (to better understand technology-based processes and procedures)

Maricopa County participated in an agreement offered through *US Communities* to leverage a contract awarded to Office Depot for office supplies. Significant savings were available to the County if orders were placed via the Office Depot website. Office Depot offered the County the following Internet ordering incentive: when Internet ordering reached 40% the County would receive ½% rebate. A full 1% rebate would be received when Internet ordering reached 80%.

In 1998, Materials Management partnered with Information Technology to take advantage of this opportunity. The solution was to provide a special web page on the County Intranet giving access examples and assistance information. As a result, Internet ordering has increased from initially less than 10% to 85% currently. The County receives a full 1% rebate solely due to the fact that Internet ordering has surpassed the 80% mark.

To facilitate effective communication and encourage competition among the many IT Consulting vendors, the County developed an IT Specialist Extranet. We leveraged both our robust web and groupware infrastructures to develop this innovative solution to solicit quotes for consulting services. The application has custom-written components functioning in our Intranet, Exchange and Internet environments.

When consulting services are required, an IT Director brings up a web page on the EBC (the County's Intranet) and completes a form including the project parameters, IT skills required and a detailed statement of work. Clicking on a "submit" button automatically formats and sends an email to all vendors registered to provide consultants with the specified skills. The mailing is done by an Exchange mail server using custom distribution lists that categorize all vendors by the type of consultants for which they submitted bids. Each vendor is provided with a user id and password protected Exchange mailbox. The vendors access their mailbox via a customized version of Outlook Web Access - a web-based email client. If they have any questions, or have a good match for the project described in the email they can reply to the IT Director by using the web-based email client. See Attachment IT.27.-10 to review the access instructions provided to County vendors.

CAPITAL MANAGEMENT

The Capital Management section covers policies and procedures relating to the planning and maintenance of capital assets. In this section, the County instituted a number of procedures to ensure that the highest priority is placed on projects with a high return. We also have a good track record on maintenance of facilities over the past several years. In addition, Flood Control and Transportation have a very refined, data driven models which receive citizen input via our advisory boards. I believe that these procedures will be looked at favorably by the GPP reviewers. Below is an example of our responses.

Is there anything else you think we should know about capital management in your county? (For example, has your county developed any unique or innovative approaches to capital management.)

In the area of unique and innovative approaches and/or concepts, Maricopa County has initiated many.

Maricopa County has leveraged its investment in capital projects through collaborative efforts with private and public partners. For example:

- The County recently replaced its outdated employee cafeteria with a state-of-the-art food court. The food court includes three nationally branded franchises, a bakery and "cook to order" facilities. The food court is a partnership with the County and the Eurest Corporation. The cost of the capital improvements were shared and the profits will also be shared. The County will recover its investment in less than 10 years. The result of this initiative is that employees, as well as the public, are offered a superior dining experience at no additional long-term cost to the taxpayer.

- Other public-private partnerships include the County's three 18-hole golf courses that were developed by the private sector on County Park lands. In this partnership, no development costs were paid by the County. In fact, the private developer and operator of the courses actually pays rent to the County. Through these types of concession agreements, the General Fund of the County only contributes about 33 percent of the Parks operating budget.

- In a public-public partnership, the County has recently begun to develop a solution to the homeless problem in the Downtown area. The project, known as the "Gateway campus", envisions a partnership between the County, Cities and State as well as several social service agencies to provide housing, food, job training, job referral and health care to the more than 700 homeless people in the area.

- In another public-public partnership, the County, the State of Arizona, and the Town of Cave Creek recently acquired the Spur Cross Ranch. Spur Cross Ranch consists of 2,154 acres of pristine, high desert that had been scheduled for commercial development. Acquisition costs were paid by the County, the State and the Town. Operating and development costs will be paid by the Town of Cave Creek. The County Parks department will manage the conservation area.

Other unique or innovative approaches and/or concepts include:

- Creation of the Criminal Justice Facilities Development Department (CJFDD) to manage the Criminal Justice Construction Program; this department has a life span limited to the duration of the construction program. The Jail Expansion Program is clearly a massive, one-time capital construction program that does not require a continuing construction organization. The CJFDD is now managing approximately $515 million in programming, design and construction and doing it with only five County employees and contract technical staff. This innovative approach to capital management has permitted the County to:

  - minimize the number of in-house employees it has committed to the project;
  - ensure that each employee is highly skilled and highly motivated;
  - take advantage of contract staff of a caliber that the County simply cannot compete for in the labor market;
  - tailor the organization, skills and qualifications of the contract staff for maximum efficiency and results; and
  - maintain the ability to dissolve and otherwise absorb the entire organization when the project is complete.

- Use of Alternative Procurement Methods for Construction. Beginning in 2000, the State of Arizona authorized the use of alternative procurement methods for construction, compared to the traditional design, bid, build method. During the pilot program phase of testing, the County initiated two projects using the design-build method: the 51st Avenue Bridge (Transportation Department) and the Jackson Street Parking Structure/Clerk of the Superior Court Customer Service Center. Both projects were accomplished well within their construction/design budgets and shaved months off their original planned project completion dates. As a result, the confidence level of the Board of Supervisors is very favorable for the use of alternative procurement methods. These methods are now permanently enacted into State law and adopted into the County Procurement Code for Construction and Related Architectural/Engineer/Consultant Services. As a result, the Facilities Review Committee recommended the use of a CM (Construction Manager) at Risk for the new County Public Service project, a new County office building planned for over 700,00 square feet of office and administrative space. (Please see the County Procurement Code for Construction and Related Architectural/Engineer/Consultation Services, CM-12.-1. Additional information regarding this can be reviewed at the following Internet site:

www.maricopa.gov/materials/p-code/HTML_code/Content.htm#ARTICLE5).

- MCDOT's use of Primavera Project Planner version 3.0 is unique in the way that one project and 100 subprojects are grouped and sorted to produce reports as required to provide management information to identify problems and begin proactive resolutions. Primavera has just released Primavera enterprise version, which does the same thing that MCDOT has been doing for six years. Primavera has expressed an interest in meeting with MCDOT to view the operation since the company is interested in increasing its transportation business base and wants to see how MCDOT has been working and how MCDOT is planning to integrate Expedition with P3e.

- Restoration of rivers, streams and washes saves Maricopa County taxpayers money, creates safer communities, and helps support a sustainable riparian environment. The philosophy of river restoration is practiced most commonly through the watercourse master plan program at the Flood Control District (FCD). Currently, the Agua Fria Watercourse Master Plan, the Skunk Creek Watercourse Master Plan, and the El Rio Vision are dedicated to restoring watercourses.

  The Agua Fria Watercourse Master Plan is part of a broader effort in the West Valley to develop a regional recreation area along the

Agua Fria and New River corridors. The master plan is a comprehensive flood control plan based on hydraulic analyses, future land use development, environmental considerations and the historic and possible future movement of the Agua Fria River. While accommodating existing uses, the watercourse master plan process involves bringing together public and private interests to identify unique characteristics that should be preserved. This study will lay the groundwork for the implementation of the West Valley Recreation Corridor, which has the potential to be the longest contiguous recreation corridor in the country. The Agua Fria Watercourse Master Plan should be completed by September 30, 2001. After this, the County Board of Supervisors will decide whether to approve the results of the study for the area within the unincorporated portions of Maricopa County. Each city along the corridor will also have the opportunity to adopt the study for their use. (Please see attached documentation for a further explanation of the master plan and West Valley Recreation Corridor, CM-12.-2.)

In August of 1999, the Flood Control District began development of the Skunk Creek Watercourse Master Plan. From a flood control perspective, the Skunk Creek Watercourse Master Plan will identify strategies to protect property and prevent future flooding problems. In the first phase of the master plan, the District's study team evaluated the historic and potential movement of storm water in the Skunk Creek and one of its main tributaries, Sonoran Wash. The study's goals are:

- to protect existing and future residents from the 100-year flood event and possible damages associated with channel erosion and lateral migration of Skunk Creek and Sonoran Wash,
- to consider structural, non-structural, and a combination of structural and non-structural alternatives,
- to consider multiple-use opportunities for floodplain areas,
- to minimize future expenditures of public funds for flood control and emergency management, and
- to develop a watercourse management plan that generates widespread support and is implementable.

The Skunk Creek Watercourse Master Plan is a forward-thinking approach to flood control in that it considers the impacts of future development into all recommended solutions. This will save residents substantial tax dollars. (Please see attached documentation for further clarification of this master plan, CM-12.-3.)

The El Rio Vision is a seventeen mile watercourse master plan along the Gila River that extends from Phoenix International Raceway in Goodyear to Oglesby Road in Buckeye. Partners for the project include the surrounding cities of Buckeye, Avondale and Goodyear. Under the leadership of the District 5 Supervisor, the project began as a restoration effort to return the Gila River to its natural state while primarily accomplishing the goal of improved flood control. Currently, the river is choked with salt cedar bushes and has become the dumping place for trash, abandoned automobiles and appliances. With the efforts of the District and the partnering cities, the river could not only become beautiful and safe again, but could develop into a recreational corridor that brings high-end economic development to West Valley communities. The El Rio Watercourse Master Plan is currently in the scoping phase and should enter the planning stage by January, 2002. (Please see the attached documentation for further information on the El Rio Vision, CM-12.-4.)

CONCLUSION

The Government Performance Project responses that have been submitted by Maricopa County are complete and tell a great story of the management successes that have been achieved through the direction of the Board of Supervisors. We believe that the County will be given favorable consideration for being innovative, organized and efficient in our policies and processes here in Maricopa County. The results will be published in the February 2002 edition of Governing Magazine.